

Message Text

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PAGE 01 BEIRUT 03069 180934Z

13

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 NEA-10 ISO-00 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02 FPC-01

H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07

RSC-01 SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00

PA-04 USIA-15 PRS-01 DRC-01 FRB-02 XMB-07 OPIC-12

LAB-06 SIL-01 /222 W

----- 128085

P R 180843Z MAR 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC PRIORITY 6946

INFO AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

USINT ALGIERS

USINT ABAGHDAD

USINT DAMASCUS

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KUWAIT PASS MUSCAT

E.O. 11652: N/A

TAGS: ENRG ETRD LE

SUBJECT: TRADE AND INVESTMENT OPPORTUNITIES ARISING FROM ENERGY
SITUATION

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PAGE 02 BEIRUT 03069 180934Z

REF: STATE 45917

1. REGARDING REFTTEL, EMBASSY BELIEVES THAT US BANKING COMMUNITY HAS FULLY ANTICIPATED INCREASING IMPORTANCE OF BEIRUT AS A FINANCIAL CENTER AS A RESULT OF THE PRESENT HIGHER PETROLEUM PRICES. DURING THE PAST SIX MONTHS SEVERAL LOCAL BANKS HAVE BEEN TAKEN OVER BY US INTERESTS AND OTHER US BANKS HAVE PARTICIPATED IN JOINT TAKEOVERS. NEW SITUATION ALSO REFLECTS ITSELF IN GREATER EMPHASIS NOW BEING PLACED ON INVESTMENT, RATHER THAN COMMERCIAL BANKING. IN THIS CONNECTION, FOR EXAMPLE, AMERICAN EXPRESS HAS ESTABLISHED A FINANCIAL COMPANY AND KIDDER, PEABODY VP ROGER TAMRAZ HAS INFORMED EMBASSY THAT HE IS ATTEMPTING TO FORM "FIRST ARAB CORPORATION" TO COORDINATE PRIVATE ARAB INVESTMENT EXCLUSIVELY IN US, WITH HEAD OFFICE LOCATED IN BEIRUT.

2. APART FROM BANKING, EMBASSY SEES INCREASED OPPORTUNITIES IN LEBANON IN THE PETROLEUM FIELD AS A RESULT OF HIGHER PETROLEUM PRICES. A MORE SERIOUS EFFORT WILL MOST LIKELY NOW BE MADE WITH RESPECT TO EXPLORATION AND THE ECONOMIC VIABILITY OF CONSTRUCTING ADDITIONAL REFINERY CAPACITIES FOR EXPORT (CURRENT CAPACITIES ARE BASED ON DOMESTIC USE ONLY) HAVE GROWN. LIKELIHOOD OF LEBANON'S ENTERING IN THE PETROCHEMICAL FIELD HAS ALSO IMPROVED.

3. FINALLY, LEBANON WILL HAVE TO GIVE SERIOUS THOUGHT TO SIGNIFICANT INFRASTRUCTURAL IMPROVEMENTS IF IT IS TO MAINTAIN THE COMPARATIVE SUPERIORITY ENJOYED WITH RESPECT TO ITS NEIGHBORS UP TO THE PRESENT.
GODLEY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE PROMOTION, PETROLEUM, INVESTMENT OPPORTUNITIES, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BEIRUT03069
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BEIRUT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740337/aaaabhwq.tel
Line Count: 92
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 45917
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2002 by rowelle0>; APPROVED <27 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRADE AND INVESTMENT OPPORTUNITIES ARISING FROM ENERGY SITUATION
TAGS: ENRG, ETRD, LE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005